

CHAPTER 12: CAREER SCHOOLS AND COLLEGES

SUBCHAPTER A. PURPOSE, AUTHORITY, AND DEFINITIONS

Section

- 12.1. Purpose.
- 12.2. Authority.
- 12.3. Definitions.

12.1. Purpose.

The purpose of this chapter is to assure the quality and integrity of associate degree programs offered by career schools and colleges by establishing minimum standards and operating requirements, encouraging continuous improvement of degree programs, and promoting institutional accountability.

12.2. Authority.

The Texas Education Code, Chapter 132, Section 132.063, and Chapter 61, Subchapter G, authorize the Board to adopt policies, enact regulations, and establish rules to enforce minimum standards for the approval and on-going assessment of programs of study leading to associate degrees offered by career schools and colleges.

12.3. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Agent – A career school or college owner, partner, stockholder, officer, recruiter, administrator, faculty member, financial aid counselor, academic counselor or other person who represents the institution in an official capacity. Persons employed in clerical, custodial, or similar positions, or shareholders with no direct relationship to the institution, are not considered agents of an institution.

(2) Associate degree program – A grouping of courses designed to lead the individual directly to employment in a specific career, or to transfer to an upper-level baccalaureate program. This specifically refers to the associate of arts, the associate of science, the associate of applied arts, the associate of applied science, and the associate of occupational studies degrees.

(3) Board or Coordinating Board – The Texas Higher Education Coordinating Board.

(4) Career school or college – Any business enterprise operated for a profit, or on a nonprofit basis, that maintains a place of business in the State of Texas or solicits business within the State of Texas, and that is not specifically exempted by this chapter, and:

(A) That offers or maintains a course or courses of instruction or study; or

(B) At which place of business such a course or courses of instruction or study is available through classroom instruction, by electronic media, by correspondence, or by some or all, to a person for the purpose of training or preparing the person for a field of endeavor in a business, trade, technical, or industrial occupation, or for avocational or personal improvement.

(5) Certificate of Authority – The document provided to a career school or college to certify that it has met the standards set forth in the rules of the Board and that, pursuant to Texas Education Code, Chapter 132 and Chapter 61, Subchapter G, it is authorized to conduct courses and grant associate's degrees as specified in Section 12.21 of this title (relating to Degree Titles Authorized).

(6) Change of ownership or control – Any change in ownership or control of a career school or college or an agreement to transfer control of such institution.

(A) The ownership or control of a career school or college is considered to have changed:

(1) In the case of ownership by an individual, when more than 50 percent of the institution has been sold or transferred;

(2) In the case of ownership by a partnership or a corporation, when more than 50 percent of the institution or of the owning partnership or corporation has been sold or transferred; or

(3) When the board of directors, officers, shareholders, or similar governing body has been changed to such an extent as to significantly alter the management and control of the institution.

(B) A change of ownership or control does not include a transfer that occurs as a result of the retirement or death of the owner if transfer is to a member of the owner's family who has been directly and constantly involved in the management of the institution for a minimum of two years preceding the transfer. For the purposes of this section, a member of the owner's family is a parent, sibling, spouse, or child; spouse's parent or sibling; or sibling's or child's spouse.

(7) Cited – Any reference to an institution in a negative finding or action by an accreditor.

(8) Classification of Instructional Programs (CIP) Code – The 4- or 6-digit code assigned to an approved associate degree program in accordance with the CIP manual published by the U. S. Department of Education, National Center for Education Statistics. CIP codes define the authorized teaching field of the specified degree program, based upon the occupation(s) for which the program is designed to prepare its graduates.

(9) Commissioner or Commissioner of Higher Education – The chief executive officer of the Texas Higher Education Coordinating Board.

(10) Concurrent instruction – Students enrolled in different classes, courses, and/or subjects being taught, monitored, or supervised simultaneously by a single faculty member.

(11) Contract instruction – Specifically targeted instruction designed by a career school or college and a contracting entity.

(12) Degree – Any title or designation, mark, abbreviation, appellation, or series of letters or words, including associate's, bachelor's, master's, doctor's and their equivalents, which signify, purport to signify, or are generally taken to signify satisfactory completion of the requirements of all or part of a program of study that is generally regarded and accepted as an academic/occupational degree-level program among Texas postsecondary institutions.

(13) Exempt institution – A degree-granting institution exempt from the Texas Education Code, Chapter 132.

(14) Guidelines for Instructional Programs in Workforce Education (GIPWE)--A Coordinating Board-approved publication containing policies and procedures related to the design, development, proposal, approval, operation, and evaluation of workforce education courses and programs for Texas public institutions of higher education and career schools and colleges

(15) Institution – A career school or college.

(16) List of Approved Programs – The document an institution receives that lists the name of each of the institution's approved degree programs; this list is updated each time an institution receives approval for a new degree program, closes a degree program, or changes the CIP code or title of a degree program.

(17) Owner – The owner of a career school or college means:

- (A) in the case of an institution owned by an individual, that individual;
- (B) in the case of an institution owned by a partnership, all full, silent, and limited partners;
- (C) in the case of an institution owned by a corporation, the corporation, its directors, officers, and each shareholder owning shares of issued and outstanding stock aggregating at least 10 percent of the total of the issued and outstanding shares;
- (D) in the case of an institution in which the ownership interest is held in trust, the beneficiary of that trust; or
- (E) in the case of an institution owned by another legal entity, a person who owns at least 10 percent ownership interest in that entity.

(18) Private postsecondary institution – An institution of higher education that:

- (A) Is not a public community college, public technical college, public state college, public senior college, or university, medical or dental unit or other agency as defined in the Texas Education Code, Section 61.003;
- (B) Is incorporated under the laws of this state, or maintains a place of business in this state, or has a representative present in this state, or solicits business in this state; and

(C) Furnishes or offers to furnish courses of instruction in person, by electronic media, by correspondence, or by some or all, leading to a degree, or provides or offers to provide credits alleged to be applicable to a degree.

(19) Program approval – The process whereby a career school or college requests approval from the Board to implement a technical or vocational program of study leading to an applied associate degree.

(20) Program or program of study – Any course or grouping of courses that entitles a student to an applied associate degree or to credits that are applicable to an applied associate degree.

(21) Prospective student – An individual who expresses interest in a program of study and who is provided with written information about the institution or any of the institution's programs.

(22) Texas Success Initiative – A program for each career school or college to:

(A) Assess the academic skills of each entering student to determine the student's readiness to enroll in freshman-level academic coursework using test instruments approved by the Coordinating Board;

(B) Advise students regarding coursework and other means by which to develop academic skills required for successful completion of college-level work; and

(C) Provide a written plan to work with the student to become ready to perform freshman-level coursework.

(23) Target market area – The local, regional, statewide, and/or national area from which the career school's or college's students are drawn and in which employment opportunities have been identified for graduates of that institution's associate degree programs.

(24) Teach-out agreement – A formal arrangement between a closed career school or college and another institution authorized by the Board to grant the associate degree, which provides for student transfer, completion of degree requirements, and awarding degrees to students transferred from the closed career school or college.

(25) Teach-out institution – An institution that is authorized by the Board to grant the associate degree and that has formally accepted the transfer of students from a closed career school or college.

CHAPTER 12: CAREER SCHOOLS AND COLLEGES

SUBCHAPTER B. GENERAL PROVISIONS

Section

- 12.21. Degree Titles Authorized.
- 12.22. Fees.
- 12.23. Exemption.
- 12.24. Standards for Associate Degree-Granting Career Schools and Colleges.
- 12.25. Application for a Certificate of Authority.
- 12.26. Commissioner Action on an Application for a Certificate of Authority.
- 12.27. Institutional Evaluation.
- 12.28. Accreditation.
- 12.29. Texas Success Initiative.
- 12.30. Concurrent Instruction.
- 12.31. Credit for Prior Learning.
- 12.32. Transfer of Credit.
- 12.33. Graduation and Job Placement Rates.
- 12.34. Change of Ownership or Control.
- 12.35. Complaints.
- 12.36. Legal Proceedings.
- 12.37. Withdrawal or Suspension of a Certificate of Authority.
- 12.38. Closure of a Career School or College.
- 12.39. The Associate of Occupational Studies (AOS) Degree.

12.21. Degree Titles Authorized.

(a) Associate of Applied Science (AAS), Associate of Applied Arts (AAA), and Associate of Occupational Studies (AOS) degrees shall be the only associate degrees authorized under this chapter.

(b) A private postsecondary institution seeking authority to offer a baccalaureate or higher degree shall seek approval from the Board and is subject to the provisions outlined under Chapter 7 of this title (relating to Private and Out-of-State Public Postsecondary Educational Institutions Operating in Texas).

12.22. Fees.

The Board is authorized to establish and collect fees from institutions to offset the costs of associate degree program coordination and administration for career schools and colleges. The Board authorizes the Commissioner to set these fees in an amount not to exceed the actual cost incurred for the service or services the staff provides. The current fee schedule and the nature of the fees are outlined in the Guidelines for Instructional Programs in Workforce Education.

12.23. Exemption.

(a) A career school or college that applies for and is declared exempt by the Texas Workforce Commission from the Texas Education Code, Chapter 132, shall not operate under

the provisions of this chapter. Upon becoming exempt, a degree-granting career school or college shall immediately:

(1) apply for a Certificate of Authority to operate as a private postsecondary educational institution according to the provisions of Chapter 7 of this title (relating to Private and Out of State Public Postsecondary Educational Institutions Operating in Texas); or

(2) cease granting degrees and relinquish the Certificate of Authority to the Board.

(b) If an exempt institution relinquishes its exempt status and obtains approval from the Texas Workforce Commission to operate as a career school or college, the institution shall apply for a Certificate of Authority as outlined under Section 12.25 of this title (relating to Application for a Certificate of Authority).

12.24. Standards for Associate Degree-Granting Career Schools and Colleges.

The decision to grant a Certificate of Authority to a career school or college shall be based upon its compliance with the following 15 standards.

(1) Qualifications of Institutional Officers. The character, education, and experience in higher education of governing board members, administrators, supervisors, counselors, agents, and other institutional officers shall be such as may reasonably ensure that students will receive education consistent with the objectives of the course or program of study. All administrators of an institution shall meet the qualifications outlined in the Guidelines for Instructional Programs in Workforce Education.

(2) Instructional Assessment. Provisions shall be made for the continual assessment of the program of study, including the evaluation and improvement of instruction.

(3) Curriculum. The quality, content, and sequence of each course, curriculum, or program of instruction, training, or study shall be appropriate to the purpose of the institution and shall be such that the institution may reasonably and adequately achieve the stated objectives of the course or program. Substantially all of the courses in the program of study shall be offered in organized classes by the institution. All curricula shall meet the standards and criteria outlined in the Guidelines for Instructional Programs in Workforce Education.

(4) Facilities and Equipment. The institution shall have adequate space, equipment, and instructional materials to provide good quality education and training. All facilities and equipment shall meet the standards outlined in the Guidelines for Instructional Programs in Workforce Education.

(5) Financial Resources and Stability. The institution shall have the adequate financial resources and financial stability to satisfy the financial regulations of the Texas Workforce Commission, the U. S. Department of Education if the institution participates in Title IV financial aid programs, and the institution's accrediting agency.

(6) Financial Records. Financial records and reports of the institution shall be kept and made separate and distinct from those of any affiliated or sponsoring person or entity. Financial records and reports shall be in accordance with generally accepted accounting practices.

(7) Administrative Resources. The director of a career school or college having a Certificate of Authority shall have daily access to electronic communication, including e-mail and a connection to the Internet/World Wide Web. All institutions shall be able to receive time-sensitive information about Board rules and policies via electronic media.

(8) Faculty. All faculty shall meet the qualifications outlined in the Guidelines for Instructional Programs in Workforce Education.

(9) Catalog. Career schools and colleges shall provide the information described by subparagraphs (A) through (Q) of this paragraph to prospective students prior to enrollment. The institution shall provide students and other interested persons with a catalog or brochure. If any of the information is provided to students in the form of a supplement or addendum to a printed catalog, the institution shall retain documentation on file to verify that every enrolled student received a copy of the addendum or supplement along with the catalog. The institution shall, on an annual basis, furnish the Board with a copy of its most current catalog and a current roster of all faculty members including names, teaching assignments, qualifying degree, and highest degree earned. The institution shall provide students and other interested persons with a catalog or brochure containing, at minimum, the following information:

- (A) the institution's mission;
- (B) a statement of admissions policies;
- (C) information describing the purpose, length, and objectives of the program(s) the institution offers;
- (D) the schedule of tuition, fees, and all other charges and expenses necessary for completion of the course of study;
- (E) cancellation and refund policies;
- (F) a definition of the unit of credit as it applies at the institution;
- (G) an explanation of satisfactory progress as it applies at the institution, including an explanation of the grading or marking system;
- (H) the institution's calendar, including the beginning and ending dates for each instructional term, holidays, and registration dates;
- (I) a listing of full-time faculty members showing highest earned degree and identifying the institution that awarded the degree;
- (J) areas of faculty specialization;
- (K) names and titles of administrators;
- (L) a statement of legal control with the names of the trustees, directors, and officers of the corporation;
- (M) a complete listing of all scholarships offered, if any;
- (N) a statement describing the nature and extent of available student services;
- (O) a statement of transfer credit policy;
- (P) a statement of Texas Success Initiative requirements; and
- (Q) any disclosures specified by the Board or defined in Board rules.

(10) Academic Records. A system of record keeping shall be established and maintained in a manner consistent with accepted and professional practice in higher education. Records shall be securely maintained at all times. Contents of records shall, at minimum, include attendance and progress or grades. Two copies of the information necessary to generate student transcripts shall be maintained at separate locations. At least one copy shall be secured in a manner that is resistant to destruction by fire and natural disaster. In addition,

(A) transcripts shall be issued upon request of students or former students; and

(B) an institution may withhold a student transcript as allowed in the Texas Education Code, Section 132.062.

(11) Refund Policy. The institution shall adopt, publish, and adhere to a fair and equitable cancellation and refund policy.

(12) Student Rights and Responsibilities. A handbook, catalog, or other publication listing the student's rights and responsibilities shall be published and supplied to the student upon enrollment in the institution. The institution shall establish a clear and fair policy regarding due process in disciplinary matters and shall inform each student of these policies in writing.

(13) Housing. Student housing owned, maintained, or approved by the institution, if any, shall be appropriate, safe, adequate, and in compliance with applicable state and local requirements.

(14) Legal Compliance. The institution shall be maintained and operated in compliance with all applicable rules and regulations of the Coordinating Board, the Texas Workforce Commission, and other relevant agencies.

(15) Library/Learning Resource Center. The institution shall have a library or learning resource center available to all students. The library facilities, equipment, and personnel shall meet the requirements and qualifications outlined in the Guidelines for Instructional Programs in Workforce Education.

12.25. Application for a Certificate of Authority.

(a) A career school or college must have approval from the Coordinating Board in order to grant associate degrees or to enroll students for courses that may be applicable toward an associate degree. A career school or college that does not have approval to grant associate degrees must request approval from the Board in conjunction with an application for a new degree program as specified in Section 12.41 of this title (relating to New Program Application). If approved, the Board shall issue a Certificate of Authority.

(b) A career school or college may submit an Application for a Certificate of Authority to the Board if it:

(1) has been legally operating, enrolling students, and conducting classes in Texas and has complied with state law as a non degree-granting institution for a minimum of two years;

(2) has been legally operating, enrolling students, and conducting classes in Texas and has complied with state law as a degree-granting institution and wishes to open a new campus or branch; or

(3) has been legally operating as a degree-granting institution in another state for a minimum of four years and can verify compliance with all applicable laws and rules in that state.

(c) Application for a Certificate of Authority.

(1) Letter of Intent. A career school or college seeking degree granting authority shall submit a letter of intent for a new program application as outlined in section 12.41 of this title (relating to New Program Application).

(2) Initial visit. A member of the Coordinating Board staff shall visit the proposed school to verify compliance with Coordinating Board standards and policies.

(3) Submission of the Application for Approval of a Certificate of Authority, which shall include the following documentation:

- (A) a description of the purpose of the institution;
- (B) names of sponsors or owners of the institution;
- (C) regulations, rules, constitutions, bylaws, or other regulations established for the governance and operation of the institution;
- (D) the names and addresses of the chief administrative officer, the principal administrators, and each member of the board of trustees or other governing boards;
- (E) a full description of the admission requirements;
- (F) a description of the facilities, learning resources, and equipment utilized by the institution;
- (G) evidence of approval from the Texas Workforce Commission. The Board will not approve an application for a Certificate of Authority unless the Texas Workforce Commission has approved the institution to offer a course of instruction.
- (H) the Application for Approval of a New Workforce Program (for Career Schools and Colleges), as specified in Section 12.41 of this chapter (relating to New Program Application)

(4) Follow-up visit. A member of the Coordinating Board staff may make a follow-up visit to the proposed site for the applicant school prior to implementation of the workforce education program(s).

(5) Fee. The applicant school shall submit the fee for an Application for Approval of a Certificate of Authority as outlined in the Guidelines for Instructional Programs for Workforce Education.

(d) If, in the process of obtaining approval from the Texas Workforce Commission, the applicant school has provided the information required in this section to the Texas Workforce Commission, evidence of approval from the Texas Workforce Commission shall satisfy the requirement in subsection (c) of this section.

12.26. Commissioner Action on an Application for a Certificate of Authority.

(a) The Commissioner or his/her designee shall approve or disapprove the Application for a Certificate of Authority. Approval of the Application grants the career school or college the authority to award associate's degrees or to enroll students for courses that may be applicable toward an associate degree. Separate program approval shall be required for each associate degree program in accordance with this chapter.

(b) Approval for each specified associate's degree program listed on the List of Approved Programs continues in effect unless the Commissioner withdraws or suspends the Certificate of Authority and/or approval for a specific program because of the institution's failure to comply with Board rules, regulations, and/or policies or because the Texas Workforce Commission revokes the institution's approval to operate. The Certificate of Authority remains the property of the Board; an institution shall return its Certificate of Authority in the event the Commissioner withdraws the Certificate of Authority, the institution voluntarily terminates all associate degree programs, or the institution closes.

12.27. Institutional Evaluation.

(a) The institution shall establish adequate procedures for planning and evaluation, define in measurable terms its expected educational results, and describe how those results will be achieved.

(b) The evaluation criteria shall include the following: mission, labor market need, curriculum, enrollment, graduates, student placement, follow-up results, ability to finance each program of study, facilities and equipment, instructional practices, student services, public and private linkages, qualifications of faculty and administrative personnel, success of its students, and the effectiveness of its implementation of the Texas Success Initiative.

12.28. Accreditation.

(a) Career schools and colleges holding a Certificate of Authority to grant an associate degree shall make available, upon request by the Board, all accrediting agency reports and any findings and institutional responses to such reports and findings.

(b) If cited by an accreditor, a career school or college authorized to grant the associate degree shall, within 30 days of receipt of the accrediting agency's final report, provide the Board with a copy of the citation, the accreditor's final report, and a complete report of all subsequent actions by both the accreditor and the institution.

(c) A career school or college shall operate all associate degree programs in compliance with the standards of its institutional and/or program-level accreditation or with membership in a trade or professional association.

12.29. Texas Success Initiative.

Each degree-granting career school or college authorized by the Board to grant associate of applied science or associate of applied arts degrees shall assess, by an instrument approved in Section 4.56 of this title (relating to Assessment Instruments), the academic skills of each entering student and otherwise comply with Sections 4.51 through 4.59 of this title (relating

to the Texas Success Initiative). Career schools and colleges authorized to award an associate of occupational studies degree are exempt from this requirement.

12.30. Concurrent Instruction.

(a) Concurrent instruction of students enrolled in an associate degree program or in any component of a degree program is prohibited.

(b) The following activities do not constitute concurrent instruction:

(1) voluntary participation in laboratory and/or skill-building activities outside of required lecture and laboratory class sessions;

(2) voluntary participation in study and/or review sessions outside of required lecture and laboratory class sessions;

(3) sitting for proctored examinations;

(4) field trips; or

(5) extracurricular activities.

12.31. Credit for Prior Learning.

(a) If a career school or college awards credit for prior learning obtained outside a formal collegiate setting, the institution shall establish and adhere to a systematic method for evaluating that prior learning, equating it with course content appropriate to the institution's authorized degree program(s).

(b) The method of evaluating prior learning shall be subject to ongoing review and evaluation by the institution's teaching faculty. In no instance shall course credit be awarded solely on the basis of life experience or years of service in a position or job. Recognized evaluative examinations such as the advanced placement program or the college level examination program may be used to evaluate prior learning.

12.32. Transfer of Credit.

A career school or college holding a Certificate of Authority to grant an associate's degree shall publish, in a prominent place in the institution's catalog, complete and clearly stated information about the transferability of credit to other postsecondary institutions including two-year and four-year colleges and universities.

12.33. Graduation and Job Placement Rates.

A career school or college authorized to grant the associate degree shall provide to each prospective student, newly-enrolled student, and returning student, complete, clearly presented information indicating the institution's current graduation rate by program and job placement rate by program.

12.34. Change of Ownership or Control.

(a) In the event of a change in ownership or control of a career school or college, the Certificate of Authority is automatically withdrawn unless the institution meets the requirements of this section.

(b) The Commissioner may authorize the institution to retain the Certificate of Authority during and after a change of ownership or control, provided that the institution notifies Board staff of the impending transfer in time for staff to receive, review, and approve the documents listed below and provided that the following conditions are met:

(1) The institution must submit acceptable evidence that the new owner is complying with all Texas Workforce Commission requirements regarding the purchase or transfer of ownership of a career school or college;

(2) The institution must submit an acceptable written statement of assurance that the new owner understands and undertakes to fully comply with all applicable Board rules, regulations, and/or policies; and

(3) The institution must submit satisfactory evidence of financial ability to adequately support and conduct all approved programs. Documentation shall include but may not be limited to independently audited financial statements and auditor's reports.

(c) If the institution does not meet the conditions outlined under this section prior to completion of transfer of ownership or control and the institution loses its Certificate of Authority, the new owner(s) shall submit a new Application for a Certificate of Authority as outlined under Section 12.25 of this title (relating to Application for a Certificate of Authority) and a new Application for Approval of a New Workforce Program for Career Schools and Colleges for each degree program it wishes to offer, as outlined under Section 12.41 of this title (relating to New Program Application).

(d) Any modification of an approved associate degree program that results from a change of ownership or control constitutes a program revision. Requests for approval of program revisions shall conform to the procedures and requirements contained in Section 12.43 of this title (relating to Program Revision) and the Guidelines for Instructional Programs in Workforce Education.

(e) If the ownership or control of a career school or college is transferred within, among, or between different subsidiaries, branches, divisions, or other components of a corporation and if said transfer in no way diminishes the career school's or college's administrative capability or educational program quality, the Commissioner may permit the school to retain its Certificate of Authority during the transfer period. In such cases, the career school or college shall fully comply with all provisions outlined in this section.

12.35. Complaints.

(a) The Board may investigate a written complaint about a career school or college.

(b) Upon receipt of a written complaint, Board staff shall determine whether the allegations in the complaint, if found to be true, would constitute a violation of Board rules, standards, and/or guidelines.

(1) If the allegations in the complaint do not appear to violate Board rules, standards, and/or guidelines, Board staff shall, within 10 days of receipt of the complaint:

(A) notify the institution and the complainant in writing that the Board received the complaint and that the allegations do not appear to violate Board rules, standards, and/or guidelines and that the matter is concluded with the Board; and

(B) refer the complainant to any other appropriate agency or organization that may assist in resolving the complaint. Board staff shall provide to that agency or organization any relevant information in their possession and notify the institution of the referral and that the matter is concluded with the Board.

(2) If the allegations in the complaint appear to constitute a violation of Board rules, standards, and/or guidelines, Board staff shall, within 10 days of receipt of the complaint:

(A) notify the institution and the complainant in writing that the Board received the complaint and that the allegations in the complaint appear to constitute a violation of Board rules, standards, and/or guidelines if found to be true;

(B) advise the institution and the complainant of the particular rules, standards, and/or guidelines that appear to have been violated;

(C) provide the appropriate department at the Texas Workforce Commission with a copy of the complaint and copies of all relevant correspondence;

(D) initiate an investigation to determine whether the allegations are true and, if true, whether the allegations constitute a violation of Board rules, standards, and/or guidelines; and/or

(E) refer the complainant to any other appropriate agency or organization.

(c) Upon receipt of written notification from Board staff of possible violation under this section, a career school or college shall, within 15 days, provide the Board with a written response and any necessary supporting documentation. The response shall bear the original signature of the institution's chief executive officer or his/her designee.

(d) Board staff shall examine and evaluate the response to a notice under this section and determine whether further investigation is warranted. If further investigation is warranted, Board staff may conduct interviews of students, faculty, and/or any other persons who may possess relevant information; examine institutional documents, files, and/or other records; examine course materials; observe institutional activities; inspect facilities; and/or review any other institutional activity that is relevant to the allegations in the complaint.

(e) If the allegations warrant more immediate action than is described in subsections (b) and (c) of this section, Board staff may notify a career school or college by telephone or electronic mail and proceed immediately with an investigation as described in subsection (d) of this section.

(f) If, at the conclusion of any investigation, Board staff determines that Board rules, standards, and/or guidelines have been violated, Board staff shall notify the complainant and

the institution in writing of the specific violations and any corrective action, if warranted, required by the Assistant Commissioner for the Community and Technical Colleges Division.

(g) If, at the conclusion of any investigation, the Board determines that Board rules, standards, and/or guidelines have not been violated, Board staff shall notify the institution and the complainant in writing of its findings and that the matter is concluded with the Board.

12.36. Legal Proceedings.

(a) A career school or college with a Certificate of Authority shall notify the Board if it becomes a defendant in any administrative, civil, or criminal legal proceeding.

(b) Notification shall be in writing and shall be delivered to the Board not less than seven (7) days after an agent of the institution is served with process.

(c) The institution shall furnish the Board with copies of the original petition and response as soon as they become available.

(d) At the conclusion of proceedings, the institution shall, within 60 days, report the outcome to the Board in writing. The institution may be required to furnish copies of all pleadings in the case.

12.37. Withdrawal or Suspension of a Certificate of Authority.

(a) The Commissioner may withdraw or suspend a Certificate of Authority if an agent of a career school or college with an approved associate degree program:

(1) knowingly violates one or more of the Board rules, regulations, and/or policies, and fails to take satisfactory corrective action;

(2) after being notified of the violation, knowingly violates one or more of the Board rules, regulations, and/or policies, and fails to take satisfactory corrective action;

(3) fails to conduct all academic, technical, and administrative matters pertaining to an approved associate degree program in a manner consistent with Board rules, regulations, and/or policies;

(4) is found to have engaged in any deceptive practice, misrepresentation of fact, and/or fraud relating to the operation of the career school or college or in dealing with students or the public;

(5) is found to have engaged in any activity, conduct, and/or behavior relating to the operation of the career school or college or in dealing with students that is found by a court of law to be illegal and/or improper;

(6) intentionally inhibits, obstructs, or interferes with, either directly or indirectly, the official duties and/or activities of a member of the Board staff and/or a person who has been appointed to represent the Board for the purpose of conducting an on-site inspection of a career school or college and/or inquiring into a complaint against that institution;

(7) intentionally harasses, causes to be harassed, or permits harassment of a member of the Board staff and/or a person who has been appointed to represent the Board while such individual(s) is/are on any property under the control of the career school or college and is/are engaged in official duties; or

(8) upon the conclusion of an on-site visit as described in Section 12.45 of this title (relating to Evaluation of Program Effectiveness) is determined to have failed to implement and/or operate a degree program(s) according to Board rules, regulations, and/or policies and the failure is of a magnitude or degree that the deficiencies cannot reasonably be corrected.

(b) Upon receipt of satisfactory evidence, the Commissioner may withdraw or suspend a Certificate of Authority for a cause other than those outlined under this section.

(c) A Certificate of Authority is automatically withdrawn if, after receiving 60 days advance notification of the annual fee amount and the date upon which the fee is due, a career school or college fails to remit the annual fee by the due date.

(d) The Commissioner shall provide notice to the institution of any adverse decision under this subchapter. The Commissioner's decision shall be final unless the affected institution requests reconsideration of the decision within 45 days of receipt of notice from the Commissioner. The decision of the Commissioner upon reconsideration shall be the final decision of the Board.

(e) An institution affected by any final decision under this Subchapter may appeal that decision as provided in Chapter 1, Subchapter B of this title (relating to Dispute Resolution).

(f) If the Commissioner withdraws an institution's Certificate of Authority or an institution voluntarily returns its Certificate of Authority as the result of adverse findings according to this section, the institution may not reapply for a Certificate of Authority for a minimum of one year from the date of closure or withdrawal.

(g) If the Commissioner suspends an institution's Certificate of Authority or an institution voluntarily suspends its Certificate of Authority as the result of adverse findings according to this section, the institution may not apply for approval of new programs during the period of suspension.

12.38. Closure of a Career School or College.

(a) The governing board, owner, or chief executive officer of a career school or college that plans to cease operation shall provide the Board with written notification of intent to close at least 90 days prior to the planned closing date.

(b) If a career school or college closes unexpectedly, the governing board, owner, or chief executive officer of the school shall provide the Board with written notification immediately.

(c) If a career school or college closes or intends to close before all currently enrolled students have completed all requirements for graduation, the institution shall assure the continuity of students' education by entering into a teach-out agreement with another career school or college authorized by the Board to hold a Certificate of Authority according to Section 12.25 of this title (relating to Application for a Certificate of Authority) or with a public two-year

college. The agreement shall be in writing and shall contain provisions for student transfer and specify the conditions for completion of degree requirements at the teach-out institution. The agreement shall also contain provisions for awarding degrees.

(d) The Certificate of Authority for a career school or college is automatically withdrawn when the institution closes. At his/her discretion, the Commissioner may grant to a career school or college that has a Certificate of Authority temporary approval to award a degree(s) in a program the institution does not have approval for in order to facilitate a formal agreement as outlined under this section.

(1) The curriculum and delivery shall be appropriate to accommodate the remaining students.

(2) No new students shall be allowed to enter the transferred degree program unless the new entity seeks and receives permanent approval for the program(s) from the Coordinating Board.

12.39. The Associate of Occupational Studies (AOS) Degree.

Granting of the AOS degree shall only occur according to the following terms:

(1) The policy regarding all AOS degrees as adopted by the Board on April 29, 1993, and policies outlined under this section shall guide all proceedings of the Board, staff, and affected institutions.

(2) The State of Texas has four career schools or colleges awarding the AOS degree: MTI College of Business and Technology (known as Microcomputer Technology Institute when the policy was adopted), Universal Technical Institute, Southwest Institute of Technology (known as Southwest School of Electronics when the policy was adopted), and Western Technical Institute. The AOS degree shall be awarded in only the following fields: automotive mechanics, diesel mechanics, refrigeration, electronics, and business. Each of the four Institutions may continue to award the AOS degree for those fields listed above and shall be restricted to those fields.

(3) The Board shall not consider new AOS degree programs in other fields from these four career schools or colleges.

(4) The Board shall not consider new AOS degree programs from any other career schools or colleges.

(5) A career school or college authorized to grant the AOS degree shall not represent such degree by using the terms "associate" or "associate's" without including the words "occupational studies." An institution authorized to grant the AOS degree shall not represent such degree as being the equivalent of the AAS or AAA degrees.

CHAPTER 12: CAREER SCHOOLS AND COLLEGES

SUBCHAPTER C. ASSOCIATE DEGREE PROGRAMS

Section

- 12.41. New Program Application.
- 12.42. New Program Approval.
- 12.43. Program Revision.
- 12.44. Contract Instruction.
- 12.45. Evaluation of Program Effectiveness.
- 12.46. Appeals Procedure.

12.41. New Program Application.

In accordance with the Guidelines for Instructional Programs in Workforce Education, each career school or college wishing to offer a new associate degree program shall complete the following items and submit them to the Board's Community and Technical Colleges Division:

(1) Letter of Intent. The applicant school shall submit a letter of intent no less than 30 and not more than 180 days prior to the submission of the Application for Approval of a New Workforce Program.

(2) Application for Approval of a New Workforce Program (for Career Schools and Colleges). The chief executive officer and, if applicable, the governing board of the career school or college shall approve the Application for Approval of a New Workforce Program. The applicant school shall ensure that Board staff receive the Application for Approval of a New Workforce Program no less than three (3) calendar months prior to the intended implementation date or approval deadline for external accreditation, whichever occurs first.

(3) Statement of Assurances (for Career Schools and Colleges). The chief executive officer and, if applicable, the governing board of the career school or college shall approve the Statement of Assurances. The applicant school shall submit the Statement of Assurances with the Application for Approval of a New Workforce Program. The following criteria are included in the Statement of Assurances:

(A) The institution has documented need for the proposed program based on national, regional, and/or local economic forecasts applicable to its target market area.

(B) The institution has identified sufficient employment opportunities within its target market area for the projected number of graduates, taking into consideration the numbers of graduates of similar programs within its target market area.

(C) Instruction in basic workforce skills has been integrated into the curriculum for the proposed program.

(D) Each program award offers at least one of the following: a capstone, an external learning experience, or eligibility to sit for a certification or licensure examination.

(E) All course and program prerequisites are identified on the proposed curriculum outline and included in the credit/contact hour totals for the program.

(F) An enrollment management plan for the program is in place.

(G) The program is consistent with all requirements from other registering, certifying, licensing, and/or accrediting authorities.

(H) An advisory committee composed of representatives from business and industry has been directly involved in the creation of the proposed program.

(I) Adequate funding is available to cover all program costs for the first three years.

(J) The institution is in good standing with its accreditor and the Texas Workforce Commission.

(K) The institution is not currently a defendant in a legal proceeding or has notified the Board according to provisions in this chapter.

(L) Written notice that the proposed program has been sent to the appropriate Higher Education Regional Council(s).

(4) Fee. The applicant school shall submit the fee for an Application for Approval of a New Workforce Education Program as outlined in the Guidelines for Instructional Programs for Workforce Education simultaneously with the Application for Approval of a New Workforce Education Program.

12.42. New Program Approval.

(a) The Board staff shall review the Application and accompanying documentation for satisfactory fulfillment of the new program requirements and procedures for a new Certificate of Authority and/or new workforce education program as outlined in the Guidelines for Instructional Programs in Workforce Education. The staff shall confer with the career school or college when additional information or clarification is needed.

(b) The Assistant Commissioner for the Community and Technical Colleges Division shall recommend schools and/or associate degree programs to the Commissioner for approval or disapproval or referral to the Board.

(c) The Board delegates to the Commissioner final approval authority for all schools and/or associate degree programs that meet Board policies for approval as outlined in the Guidelines for Instructional Programs in Workforce Education.

(d) The Commissioner shall forward a school and/or program application to the Board for consideration at an appropriate quarterly meeting if:

(1) the proposed program is the subject of an unresolved grievance or dispute between the institution and other colleges or universities; and/or

(2) the Commissioner has disapproved the proposed school and/or program and the institution has requested a Board review at the next quarterly Board meeting.

(e) A career school or college offering an associate degree program at multiple sites shall seek separate approval of each program of study for each site.

(f) The Commissioner shall automatically withdraw approval for any associate degree program not implemented in accordance with Board rules, regulations, and/or policies, and/or not implemented within 18 months of the date of approval.

12.43. Program Revision.

(a) Each career school or college requesting a program revision shall submit a completed Application for Program Revision and comply with the Guidelines for Instructional Programs in Workforce Education.

(b) A career school or college may close a program voluntarily in accordance with evaluation procedures provided in the Guidelines for Instructional Programs in Workforce Education.

12.44. Contract Instruction.

Career schools and colleges may contract for specific instruction. All contract instruction shall have education as its primary purpose. In addition,

(1) courses offered under contractual agreements shall be consistent with the educational purpose, mission, and goals of the program and institution; and

(2) courses offered under a contractual agreement shall remain the responsibility of the contracting career school or college and shall be of the same quality as other approved courses.

12.45. Evaluation of Program Effectiveness.

(a) Every program in which an associate degree is offered shall be evaluated periodically according to procedures the Board has established.

(b) The following evaluation elements shall be assessed in terms of both quantitative and qualitative factors: mission, labor market need, curriculum, enrollment, graduates, student placement, follow-up results, facilities and equipment, instructional practices, student services, public and private linkages, and qualifications of faculty and administrative personnel.

(c) Board staff shall use the results of the program evaluation to identify associate degree programs to be continued or recommended for closure.

(1) If a degree program(s) and/or institutional practice(s) demonstrates deficiencies that can be corrected, institutional agents shall develop a plan to correct the deficiencies identified in the on-site review team report.

(A) The Assistant Commissioner for the Community and Technical Colleges Division shall determine time limits for correcting deficiencies.

(B) Board staff shall reevaluate the program at the end of the established time period. If Board staff determine that the institution has not adequately and/or appropriately corrected the identified deficiencies, the Commissioner may take action to withdraw or suspend the institution's Certificate of Authority as outlined under Section 12.37 of this title (relating to Withdrawal or Suspension of a Certificate of Authority).

(2) If a degree program(s) and/or institutional practice(s) demonstrate deficiencies of a nature or magnitude that indicate that the degree program(s) should be closed immediately, the Commissioner shall notify the institution according to the procedures in Section 12.37 of this title (relating to Withdrawal or Suspension of a Certificate of Authority).

12.46. Appeals Procedure.

(a) Board staff shall review contested decisions regarding program approval or revision.

(b) In instances where agreement is not achieved, the institution may request a review by the Assistant Commissioner of the Community and Technical Colleges Division. The Assistant Commissioner shall notify the institution of his or her decision within 30 working days of receipt of the request for the review.

(c) Within 30 days of receipt of the Assistant Commissioner's decision, the institution may appeal that decision to the Commissioner. The Commissioner's decision shall be the final decision of the Board.

(d) An institution affected by any final decision under this subchapter may appeal that decision as provided in Chapter 1, Subchapter B, of this title (relating to Dispute Resolution).